

USOC Reforms Initiated to Date

(Supplement to Senate Testimony - April 14, 1999)

1. Future bid and organizing committees will be prohibited from creating or maintaining assistance programs. Authorizing resolution approved by the Executive Committee March 2, 1999.
2. The USOC will strictly apply its criteria for grants awarded by the International Assistance Fund, and adherence to the criteria will be monitored by the USOC's office of compliance (see paragraph 3 below). With respect to grants for the benefit of foreign National Olympic Committees ("NOCs"), those criteria include the following:
 - Requests for assistance must be initiated by the foreign NOC, not by any bid or organizing committee.
 - Grants must be targeted to athlete support (i.e. training and development), and not to enhance the capital or operating budgets of the NOC.
 - Grants must be in the form of value-in-kind, not cash. By way of example, the USOC might purchase equipment for sport and deliver it to the NOC, but would not send cash to the NOC so that the NOC could purchase the equipment.

Authorizing resolution approved by the Executive Committee March 2, 1999.

Note: This program has provided support to more than 2000 athletes from 140 countries over the last 19 years.

3. The USOC will create an office of compliance that will be responsible for ensuring compliance not only with rules applicable to the bid process, but also with the USOC's conflict of interest policies. In that regard, the USOC's conflict of interest policies will be revised to reflect lessons learned from the recent bid scandal. The revisions will include the conflict of interest rules suggested by the Special Bid Oversight Commission in relation to the bid process:
 - Prohibit the directors, officers, staff and volunteers of the USOC as well as its member organizations, including spouses and blood relatives, from receiving anything of value, including services, of more than minimal value, as defined by the Office of Bid Compliance, from a bid or candidate city or persons acting on behalf of a bid or candidate city.

- The directors, officers, staff and volunteers of the USOC as well as its member organizations will be required to disclose, in writing, to the Office of Bid Compliance any gift, service or item of value, regardless of its purpose, provided or offered to such persons, including spouses and blood relatives, by a bid or candidate city or persons acting on behalf of a bid or candidate city.
- The USOC will retain all relevant records regarding gifts or conflicts of interest for a period of at least five years.

Authorizing resolution approved by the Executive Committee March 2, 1999. Funding for the Office of Compliance was included in the budget approved by the USOC's Board of Directors April 10-11, 1999.

4. The USOC will strengthen the rules and contracts that govern the domestic selection process. The revisions will address all of the recommendations identified by the Special Bid Oversight Commission, which were as follows:
 - Strengthen the language of the USOC Manual to state that the promulgations are "rules." The USOC will ensure that the bid cities understand that the provisions are binding, enforceable rules that must be followed.
 - Require each bid city to execute a certification acknowledging the provisions in the USOC Manual and Bid City Contract to be binding obligations and agreeing to be bound by those provisions, including any sanctions arising from a violation of them.
 - Make the USOC's rules governing bid cities effective on the date a bid city files with the USOC its letter of intent to bid or executes a Bid City Contract, whichever occurs first. The rules and procedures embodied in the Manual and Contract will remain in effect until the USOC selects a bid city to become the United States candidate city, at which time the candidate city shall enter into a contractual agreement with the USOC.
 - Require each bid city to send, at a minimum, the two highest ranking officials of its bid committee, whether volunteer or paid, to a training seminar sponsored and conducted by the USOC where the bid rules and procedures will be reviewed and explained in detail.

- Prohibit a bid city from participating in any NOC assistance program or any other such scholarship or assistance programs. The Manual will also ban bid cities, and their senior staff and volunteers, from engaging in financial commitments with IOC, IF, or NOC members, officers or employees. All things of value, including services, provided by bid cities or persons acting on their behalf to individual members of IFs, NOCs, or the IOC should be immediately disclosed to the Office of Bid Compliance.
- Prohibit a bid city from paying or reimbursing directly the travel or accommodation costs incurred by the Site Evaluation Task Force. Each bid city will be required to send to the USOC with its application a deposit in an appropriate amount to be determined by the USOC to cover the expenses of (1) the Site Evaluation Task Force that is charged with visiting and evaluating the each city's bid and (2) the technical delegates sent to a bid city for the purpose of evaluating the bid city's facilities. The USOC will cooperate with a bid city and the bid city's sponsors in making travel or accommodation plans for visits to the bid city by the Site Evaluation Task Force or technical delegates during the bid process.
- Prohibit bid cities or persons acting on behalf of bid cities from incurring any expense of more than minimal value, as defined by the Office of Bid Compliance, on behalf of a USOC official or any person accompanying a USOC official during any visit to a bid city during the bid process, even though such a visit may not be connected to the bid.
- Prohibit bid cities or persons acting on behalf of bid cities, without prior approval of the Office of Bid Compliance, from hosting or sponsoring a reception, suite, booth, exhibit or comparable area, or organizing any gathering, event, or banquet, during any official USOC meeting, including the USOC Board of Directors meeting.
- Prohibit bid cities or persons acting on behalf of the bid cities, from giving any gift, service or item of more than minimal value, as defined by the Office of Bid Compliance, to any director, official, employee, agent, or other affiliated person of the USOC or a member organization of the USOC, including any such person's relatives, guests, companions, or blood relation, regardless of the purpose of such gift, service or thing of value.
- Require bid cities to report, in writing, to a designated office within the USOC

a request or solicitation by any director, official, employee, agent or other affiliated person of the USOC or one of its member organizations, to the bid city for any gift, service or item of value, regardless of the purpose of such gift, service or thing of value.

- Require a bid city to adopt the USOC's conflict of interest policy, including a requirement that the bid city's officers and staff complete a USOC conflict of interest disclosure form. The bid cities should provide copies of those conflict of interest policies and disclosure forms to a designated office within the USOC. The bid cities must retain the conflict of interest disclosure forms for a period of at least five years after the USOC reaches a final decision on the bid.
- Require the financial books and records of bid cities to be audited by an independent auditor and disclose publicly a report from the independent auditor.
- Provide the USOC with the right to an independent audit of a bid city's books and records at any time as the USOC reasonably selects, the cost of such an audit to be borne by the USOC.
- Require each bid committee to maintain complete and accurate books and records of all receipts, assets, liabilities and expenditures and to retain such books and records in accordance with applicable state and federal law and for a period of at least five years after the USOC reaches a final decision on the bid.
- Give the USOC a right of access, without subpoena, to a bid city's books, records, documents and other objects in the possession, custody or control of the bid committee regardless of the pendency of any investigation, criminal or otherwise. The cost of such inspection or production is to be borne by the USOC.

Authorizing resolution approved by the Executive Committee March 2, 1999.

5. The USOC will strengthen the rules and its contract with the city chosen as the United States' candidate in the international process. The revisions will address the recommendations identified by the Special Bid Oversight Commission:
 - Regular certifications to the USOC by candidate cities that all applicable

rules have been and will be followed.

- The candidate or host city contract will require the approval of the USOC in the hiring and firing of the two employees comparable to Chief Executive Officer and Chief Financial Officer of the candidate city's bid committee and the host city's organizing committee. In addition, those contracts will provide the USOC with the right to place a senior staff person on the candidate city's bid committee and the host city's organizing committee. The cost of this senior staff person shall be borne by the USOC.
- The USOC will attach conditions to funds provided by the USOC to the bid committee of a United States candidate city or to an organizing committee to ensure that the funds are used for proper purposes. The USOC will require the bid committee or organizing committee to certify annually the purpose(s) served by those funds.
- The USOC will require the candidate city, with the advice and consent of the USOC, to retain the services of an independent accounting firm. The candidate city must require any such accounting firm to provide management letters on at least an annual basis and to forward to a designated office within the USOC all such management letters.

Authorizing resolution approved by the Executive Committee March 2, 1999.

6. All meetings of the USOC's Board of Directors and Executive Committee will be open to the public. Minutes of those meetings will also be made available to the public. Authorizing resolution approved by the Executive Committee March 2, 1999.
7. In order to enhance the accountability of the USOC's governing bodies, all members of the USOC's Board of Directors and Executive Committee will be required to attend 75% of the meetings either in person or by telephone, subject to such exceptions as are approved by the President or the Executive Director. This change in policy will require an amendment to the USOC's Constitution and Bylaws, which amendment has been approved by the Executive Committee and will be submitted to the full Board of Directors in October of 1999.
8. The conduct of those involved in the improper behavior related to the Salt Lake

City scandal is at odds with the notion of fair play which defines Olympic competition. That notion of fair play is embodied in America's athletes, and for that reason the USOC will seek to enhance the participation of athletes in its governance at the officer level. This initiative was in fact introduced prior to the emergence of the Salt Lake City scandal. The concept has been approved by the Executive Committee and will require an amendment to the USOC's Constitution and Bylaws.

9. The USOC, which now has over 600 employees and hundreds of volunteers, has retained McKinsey & Co. to conduct an independent management study with a view to enhancing the USOC's governance and assuring appropriate oversight of USOC programs, including candidate and host city selection processes. Authorizing resolution approved by the Executive Committee April 9, 1999.